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Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St, SW
Washington, DC 20554

Re: Proposed Transfer of Control to News Corp of Hughes Electronics from
GM, Docket No. 03-124

Dear Ms. Dortch:

The Commission should thoroughly analyze the series of articles on the vast media empire of News Corp. that is featured in *Variety* (issue date Aug. 11-17, 2003)

It should be clear from a review that News Corp.'s extensive US holdings in broadcasting, cable programming, theatrical motion picture production, and home video distribution preclude any reasonable consideration that they be awarded control over the country's leading direct broadcast satellite service. "Fox Sports Net runs Up the Score" will remind the Commission of the clout its "20 regional sports networks" have, "harvesting more than a billion dollars a year from cable operator license-fees." (*Variety*, page 15). It's "Fox Lab" programming service for first-run syndication is designed to

...”fill [ing] the programming needs of the Fox-owned TV stations in 34 U.S. cities.” (*page 16*). The FCC must take note that “News Corp.’s group of broadcast stations continues to add billions to the bottom line as dupolies in key markets like NY and LA deliver more profit. Power of the station group makes Fox TV Stations prexy Mitch Stern one of the most powerful persons in television, since he can almost single-handedly determine the syndie fortunes of a network show.’ (*page 44*).

Of grave importance to the Commission should be the reference that “News Corp is buying into Thompson-owned Canal Plus Technologies, which will give the media mogul total control encryption know-how. Murdoch already owns NDS, the only other company to provide pay TV technology.” (*page 17*).

The Commission should also be concerned about the impact that the transfer will have on global media competitiveness as well (*p. 17*).

Finally, the Commission should review News Corp.’s recent analyst conference call, available as SEC form 425, 8/14/03. News Corp.’s substantial investments in cable are discussed, including its expectation that cable system “affiliate fees” would be increasing on such channels as Fox News and FX as their carriage contracts expire. As we have repeatedly said to the FCC, News Corp. will not allow DirecTV to compete with cable and damage their own holdings. The takeover of DirecTV will not provide competition for programmers and subscribers, but greatly enhance consolidation.

Sincerely,

Jeffrey Chester
Executive Director